



SF 2298 – Direct Care Professionals Board (LSB 5449SV)
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Fiscal Note Version – Requested by Senator Dix

Description

[Senate File 2298](#) provides for the certification of direct care professionals under new Iowa Code chapter 152F. Direct care professionals (DCPs) are individuals that provide supportive services to people of all ages experiencing illness and disabilities in settings that range from in-home- and community-based settings to acute care in hospitals. The Bill requires a person that provides direct care services for compensation to be certified as a direct care professional and establishes requirements and processes for certification, renewal, continuing education, reciprocity, exemptions, and suspension or revocation. The Bill specifies the duties and membership of the nine-member Board of Direct Care Professionals.

Background

[House File 649](#) (Health and Human Services Appropriations Act of 2011) directed the Iowa Direct Care Worker Advisory Council to develop recommendations and findings concerning the following:

- Provide an estimate of the size of the direct care professional workforce.
- Identify information management system needs for the eventual Board.
- Pilot training and credentialing recommendations.
- Conduct education and outreach.
- Recommend composition of the Board and the work and credentials it will oversee.

This Bill includes recommendations outlined in the Council's January 2012 [report](#) and March 2012 [report](#) to the General Assembly and Governor concerning the establishment and credentialing activities of the Board of Direct Care Professionals.

Assumptions

- The Board of Direct Care Professionals will be established within the Department of Public Health's Health Promotion and Chronic Disease Prevention Bureau by December 15, 2012, and include nine members appointed by the Governor.
- Core Training and resulting certification will be required for all DCPs. Requirements for advanced training and associated credentials will be determined based on existing provider/facility regulations. Advanced training will be optional for all other workers in provider settings where training regulations do not exist.
- Education and training completed by DCPs will be based on state-recognized competencies and will be portable among employers.
- Worker credentials will be tracked through an information management system that will provide worker, employer, and public interfaces.
- There are estimated to be between 55,000 (Projection Scenario 1) to 73,000 (Projection Scenario 2) practicing DCPs in Iowa. Licenses will be issued beginning January 1, 2014, and will be renewed biennially.

- Current DCPs will be “grandfathered” in the credentialing system based on experience and skills. Grandfathered credentials will be provided at a discounted fee. The Bill allows the Board to determine the grandfathering process and timeframe. For estimating purposes, it is assumed that reduced certification fees for grandfathering will be phased out by June 30, 2015, allowing 18 months for current practitioners to obtain certification. Assumes 60.0% of existing practitioners will seek certification, and that one-third of current practitioners will become certified in FY 2014 and the remaining two-thirds will become certified in FY 2015.
- An estimated range between 6,000 (Projection Scenario 1) and 7,500 (Projection Scenario 2) new licenses will be issued in FY 2014. A base estimated range of between 12,000 (Projection Scenario 1) and 15,000 (Projection Scenario 2) new licenses plus an additional 3.0% allowance for growth will be issued beginning in FY 2015.
- The Board is charged with determining the appropriate license fee schedule. The proposed fee structure outlined in the chart below was discussed at Advisory Council meetings and is used for projection purposes. The overall budget is highly variable depending on the fee structure adopted by the Board.

Proposed Fee Structure		
New Direct Care Associate (DCA)	\$	20
New Advanced DCA		30
New Instructor		60
New Trainer		75
Renewal DCA		25
Renewal Advanced DCA		35
Renewal Instructor/Trainer		60
Grandfather DCA		15
Grandfather Advanced DCA		20
Late Fee		50
One-Time Background Fee (new licenses)		15

- By FY 2015, a range between 13.0 FTE positions (Projection Scenario 1) and 16.0 FTE positions (Projection Scenario 2) are estimated to be necessary to support the work of the Board. These positions are generally assumed to be filled at the low end of the salary range for each position, allow for 4.0% annual salary growth, and include an additional 27.0% for benefits. The positions include:

FTE Classifications			
Classification	Role	Number of FTEs	
		Scenario 1	Scenario 2
Executive Officer 2	Board Manager	1	1
Administrative Assistant 2	Certification Processors	1	2
Executive Officer 1	Education Director	1	1
Program Planner 2	Outreach & Compliance Educators	2	2
Clerk Specialists	Credential Reviewers	3	4
Investigator 1	Credential & Complaint Investigators	3	4
Secretary 1	Secretary	1	1
IT/Web Administrator	IT Systems Maintenance	1	1
Total		13	16

- The following two charts outline the projected revenues and expenditures based on the projected number of credential DCPs and the associated staffing levels. Projection Scenario 1 is based on 55,000 DCPs and 13.0 FTE positions and Projection Scenario 2 is based on 73,000 DCPs and 16.0 FTE positions beginning in FY 2014. General Fund appropriations are not included in the projections. The net need shown at the bottom of each chart represents the total estimated General Fund impact or need.

Board of Direct Care Professionals - Projection Scenario 1					
	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Revenue					
Carryforward	\$ 0	\$ 0	\$ 0	\$ 170,616	\$ 0
License Fees	0	740,500	1,519,150	869,715	1,188,700
Federal Grants	550,000	201,000	0	0	0
IOWAccess Fund	150,000	100,000	0	0	0
Total Revenue	\$ 700,000	\$ 1,041,500	\$ 1,519,150	\$ 1,040,331	\$ 1,188,700
Expenses					
Curriculum & Test Development, Training & Evaluation	\$ 390,000	\$ 180,000	\$ 0	\$ 0	\$ 0
Personnel	205,300	681,600	765,205	795,529	826,927
Support	369,880	555,674	583,329	591,965	603,086
Total Expenses	\$ 965,180	\$ 1,417,274	\$ 1,348,534	\$ 1,387,494	\$ 1,430,013
Net surplus/(need)	\$ -265,180	\$ -375,774	\$ 170,616	\$ -347,163	\$ -241,313

Board of Direct Care Professionals - Projection Scenario 2					
	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Revenue					
Carryforward	\$ 0	\$ 0	\$ 0	\$ 334,674	\$ 0
License Fees	0	914,800	1,877,000	1,084,855	1,502,850
Federal Grant	550,000	201,000	0	0	0
IOWAccess Fund	150,000	100,000	0	0	0
Total Revenue	\$ 700,000	\$ 1,215,800	\$ 1,877,000	\$ 1,419,529	\$ 1,502,850
Expenses					
Curriculum & Test Development, Training & Evaluation	\$ 390,000	\$ 180,000	\$ 0	\$ 0	\$ 0
Personnel	205,300	828,800	918,400	954,800	992,500
Support	369,880	594,682	623,926	634,172	646,963
Total Expenses	\$ 965,180	\$ 1,603,482	\$ 1,542,326	\$ 1,588,972	\$ 1,639,463
Net surplus/(need)	\$ -265,180	\$ -387,682	\$ 334,674	\$ -169,443	\$ -136,613

Summary of Impacts

The General Assembly appropriated \$149,000 in FY 2012 to support the work of the Direct Care Worker Advisory Council. Both projections show a total General Fund need of \$265,180 in FY 2013, an increase of \$116,180 compared to FY 2012. Projection Scenario 1 shows a total General Fund need of \$375,774 and Projection Scenario 2 shows a total General Fund need of \$387,682 in FY 2014, an increase of \$226,774 and \$238,682 respectively compared to FY 2012. The chart below summarizes the General Fund impact.

General Fund Impact Summary					
	FY 2013		FY 2014		
	Projection Scenario 1	Projection Scenario 2	Projection Scenario 1	Projection Scenario 2	
Status Quo FY 2012	\$ 149,000	\$ 149,000	\$ 149,000	\$ 149,000	
Additional Need	116,180	116,180	226,774	238,682	
Total Need	\$ 265,180	\$ 265,180	\$ 375,774	\$ 387,682	

These projections are highly variable depending on the fee structure determined by the Board. An increase in the new and renewal license fees of \$10 under Projection Scenario 1 will reduce the General Fund need in FY 2014 by \$170,000 and result in a net surplus each year beginning in FY 2015, requiring no General Fund support. An increase in the new and renewal fees of \$5 under Projection Scenario 2 will reduce the General Fund need in FY 2014 by \$110,500 and result in a net surplus each year beginning in FY 2015, requiring no General Fund support.

Sources

Department of Public Health
Direct Care Worker Advisory Council
LSA Analysis

/s/ Holly M. Lyons

March 7, 2012

The fiscal note for this bill was prepared pursuant to **Joint Rule 17** and the correctional and minority impact statements were prepared pursuant to Iowa Code [section 2.56](#). Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.
